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FEDERAL TRADE COMMISSION

16 CFR Part 304

RIN 3084-AB34

Rules and Regulations Under the Hobby Protection Act

AGENCY: Federal Trade Commission.

ACTION: Notice of proposed rulemaking; request for public comments.

SUMMARY: As part of its regular review of all its rules and guides, and in response to Congressional amendments to the Hobby Protection Act (“Hobby Act” or “Act”), the Federal Trade Commission (“Commission”) proposes to amend its Rules and Regulations Under the Hobby Protection Act (“Rules”), and seeks comment on its proposals.

DATES: Comments must be received on or before July 1, 2016.

ADDRESSES: Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write “Hobby Protection Rules Review” on your comment, and file your comment online at <https://ftcpublic.commentworks.com/ftc/hobbyprotectionrules> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex B), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex B), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Joshua S. Millard, (202) 326-2454,
Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Ave. NW,
Washington, DC 20580.

SUPPLEMENTARY INFORMATION:

I. Introduction

This Notice of Proposed Rulemaking (“NPRM”) summarizes the Hobby Act, the Rules, and the recent amendments to the Hobby Act. It also summarizes the comments the Commission received in response to its 2014 request for comment and explains why the Commission proposes amendments. Additionally, it poses questions soliciting further comment. It asks, in particular, whether the proposed amendments appropriately implement Congressional changes to the Act, and what regulatory burden the proposed amendments may impose. Finally, the NPRM sets forth the Commission’s regulatory analyses under the Regulatory Flexibility and Paperwork Reduction Acts, as well as the text of the proposed amendments.

II. Background

On November 29, 1973, President Nixon signed the Hobby Protection Act, 15 U.S.C. 2101-2106. The Hobby Act requires manufacturers and importers of “imitation political items”¹ to “plainly and permanently” mark them with the “calendar year” the items were manufactured. *Id.* 2101(a). The Hobby Act also requires manufacturers and importers of “imitation numismatic

¹ An imitation political item is “an item which purports to be, but in fact is not, an original political item, or which is a reproduction, copy, or counterfeit of an original political item.” 15 U.S.C. 2106(2). The Hobby Act defines original political items as being any political button, poster, literature, sticker or any advertisement produced for use in any political cause. *Id.* 2106(1).

items”² to “plainly and permanently” mark these items with the word “copy.” *Id.* 2101(b). The Hobby Act further directed the Commission to promulgate regulations for determining the “manner and form” that imitation political items and imitation numismatic items are to be permanently marked with the calendar year of manufacture or the word “copy.” *Id.* 2101(c).

In 1975, the Commission issued Rules and Regulations Under the Hobby Protection Act, 16 CFR Part 304.³ The Rules track the definitions used in the Hobby Act and implement that Act’s “plain and permanent” marking requirements by establishing where the item should be marked, the sizes and dimensions of the letters and numerals to be used, and how to mark incusable and nonincusable items.⁴ In 1988, the Commission amended the Rules to provide additional guidance on the minimum size of letters for the word “copy” as a proportion of the diameter of coin reproductions.⁵ 53 FR 38942 (Oct. 4, 1988).

The Commission reviewed the Rules in 2004. That review yielded many comments proposing that the Commission expand coverage to products beyond the scope of the Hobby Act and address problems involving the selling (or passing off) as originals of reproductions of antiques and other items not covered by the Act. However, the Commission retained the Rules

² An imitation numismatic item is “an item which purports to be, but in fact is not, an original numismatic item or which is a reproduction, copy, or counterfeit of an original numismatic item.” 15 U.S.C. 2106(4). The Hobby Act defines original numismatic items to include coins, tokens, paper money, and commemorative medals which have been part of a coinage or issue used in exchange or used to commemorate a person or event. *Id.* § 2106(3).

³ 40 FR 5459 (Feb. 6, 1975).

⁴ Incusable items are items that can be impressed with a stamp.

⁵ Before this amendment, if a coin were too small to comply with the minimum letter size requirements, the manufacturer or importer had to request a variance from those requirements from the Commission. Because imitation miniature coins were becoming more common, the Commission determined that it was in the public interest to allow the word “copy” to appear on miniature imitation coins in sizes that could be reduced proportionately with the size of the item.

without change, noting that it did not have authority under the Hobby Act to expand the Rules as requested. 69 FR 9943 (Mar. 3, 2004).

In 2014, the Commission again requested public comment on the Rules' costs, benefits, and overall impact.⁶ That comment period closed on September 22, 2014.

On December 19, 2014, President Obama signed into law H.R. 2754, the Collectible Coin Protection Act ("CCPA"), a short set of amendments to the Hobby Act. The CCPA amends the Act's scope to address not only the distribution by manufacturers and importers of imitation numismatic items, but also "the sale in commerce" of such items. CCPA, Pub. L. No. 113-288, § 2(1)(A) (2014). Additionally, the CCPA makes it a violation of the Hobby Act "for a person to provide substantial assistance or support to any manufacturer, importer, or seller if that person knows or should have known that the manufacturer, importer, or seller is engaged in any act or practice" violating the marking requirements of the Act. Pub. L. No. 113-288, § 2(1)(B).⁷

III. Summary of Comments and Analysis

The Commission received six comments in response to its 2014 FRN.⁸ Members of the general public submitted four comments; a self-identified professional coin and paper money

⁶ 79 FR 40691 (July 14, 2014).

⁷ The CCPA also amends the Hobby Act to expand the permissible venue (*i.e.*, location) for private actions seeking injunctions or damages for violations of the Hobby Act. Previously, a proper venue was "any United States District Court for a district in which the defendant resides or has an agent." Proper venue now extends to any U.S. District Court for a district in which the defendant transacts business, or wherever venue is proper under 28 U.S.C. 1391. Pub. L. No. 113-288, § 2(2)(A)-(B). Further, the CCPA amends the Hobby Act to state that in cases of violations of the Act involving unauthorized use of a trademark of a collectible certification service, the owners of such trademarks also have rights provided under the Trademark Act of 1946, 15 U.S.C. 1116 *et seq.* Pub. L. No. 113-288, § 2(2)(C).

⁸ The comments are available on the Commission's Website at <http://www.ftc.gov/policy/public-comments/initiative-577>. By comparison, the Commission received 350 comments in its 2004 regulatory review of the Rules, but the vast majority of those were form letters from individual collectors. 69 FR at 9943.

dealer offered a comment; and an attorney with asserted experience pertaining to coins and other collectibles submitted a comment in his personal capacity. As discussed below, commenters who addressed the issue agreed that the Commission should retain the Rules. Some suggested modifying the Rules to expand their scope or to clarify their applicability to certain kinds of collectible coins.

A. *Support for the Rules*

All of the commenters who addressed the issue supported the Rules; none advocated rescinding them. For example, one commenter stated, “there [is] a continuing need for the Rules as currently promulgated because . . . they do protect consumers.”⁹ Another described the Act as “a boon to collectors of legitimate numismatic and political items,” and stated: “Over the years the presence of the law and supporting regulations has provided guidance for makers of replicas.”¹⁰ A dealer stated that the Act “is a brilliant effort to help protect the consumer from fraud, and . . . is well thought of across all [l]egitimate [d]ealers.”¹¹

B. *Suggested Rules Modifications*

Some commenters suggested modifications to the Rules. In particular, several commenters suggested modifications to address “fantasy coins,” government-issued coins altered by non-governmental entities to bear historically impossible dates or other features marketed as

⁹ Comment of Luke Burgess, *available at* <http://www.ftc.gov/policy/public-comments/2014/09/09/comment-00008>.

¹⁰ Comment of Roger Burdette, *available at* <http://www.ftc.gov/policy/public-comments/2014/09/09/comment-00007>; *see also* Comment of Kenneth Tireman of NC Coppers, *available at* <http://www.ftc.gov/policy/public-comments/2014/07/30/comment-00004>.

¹¹ Comment of Kenneth Tireman, *supra*.

novelties.¹² Commenters variously suggested that the Commission require manufacturers of fantasy coins to stamp such items with a “FANTASY” mark,¹³ expressly permit the sale of such items without an identifying mark,¹⁴ or ban such items altogether.¹⁵ Several commenters also reported an increase in imports of unmarked replica coins from Asia, and urged that the Rules cover such sales.¹⁶ One commenter specifically suggested expanding the Rules’ scope to incorporate the provisions of the CCPA before Congress adopted it and sent it to the President for his signature.¹⁷

C. Analysis

In light of the record, the Commission concludes there is a continuing need for the Rules, and the costs they impose on businesses are reasonable. Commenters who addressed the subject supported the Rules, and no dealer or business expressed the view that the Rules should be rescinded or revised to reduce costs. Moreover, Congress’ recent expansion of the Hobby Act’s scope (addressing, among others, persons who substantially assist or support manufacturers, importers, or sellers that violate the Act’s marking requirements) also appears to evince Congressional sentiment that the Rules have not imposed undue costs upon businesses or the public. Hence, both the record and recent Congressional action support retaining the Rules.

¹² See Comment of Luke Burgess, *supra* (offering example of Roosevelt dime altered to read “1945,” noting that Roosevelt dime was not introduced until 1946, and noting that such coins are not intended to be used as currency).

¹³ See *id.*

¹⁴ See Comment of Daniel Carr, *available at* <http://www.ftc.gov/policy/public-comments/2014/09/17/comment-00010>; Comment of Armen Vartian, *available at* <http://www.ftc.gov/policy/public-comments/2014/09/19/comment-00011>.

¹⁵ See Comment of Luke Burgess, *supra*.

¹⁶ See, e.g., Comments of Daniel Carr, Roger Burdette, *supra*.

¹⁷ See Comment of Armen Vartian, *supra*.

The Commission recognizes, however, that amendments to the Rules are necessary to bring them into harmony with the amended Hobby Act. The Commission proposes to align its Rules with the Hobby Act by: (1) extending the Rules' scope to cover persons or entities engaged in "the sale in commerce" of imitation numismatic items; and (2) stating that persons or entities violate the Rules if they provide substantial assistance or support to any manufacturer, importer, or seller of imitation numismatic items, or any manufacturer or importer of imitation political items, when they know, or should have known, that such person is engaged in any act or practice violating the marking requirements set forth in the Hobby Act and the Rules. The Commission solicits comment on the proposed amendments and the regulatory burden they may impose on businesses.

However, the Commission does not propose amending its Rules to incorporate the CCPA's provisions regarding the proper location for lawsuits or the protection of the trademark rights of collectible certification services, summarized *supra* note 6, as the existing Rules do not address, relate to, or conflict with those provisions.

Additionally, it is not necessary to modify the Rules to address specific collectible items, such as "fantasy coins," as some commenters suggested. The Commission can address specific numismatic items as the need arises. Notably, the Commission has already addressed whether coins resembling government-issued coins with date variations are subject to the Rules. *In re Gold Bullion Int'l, Ltd.*, 92 F.T.C. 196 (1978). It concluded that such coins should be marked as a "COPY" because otherwise they could be mistaken for an original numismatic item. *See id.* at 223 ("[M]inor variations in dates between an original and its alleged 'copy' are insufficient to

deprive the latter of its status as a ‘reproduction, copy or counterfeit of an ‘or[i]ginal numismatic item’ and do not eliminate the requirement that the latter be marked with the word ‘Copy.’”).¹⁸

Lastly, the Commission does not propose modifying the Rules to ban the sale of fantasy coins outright. Sales of properly-marked fantasy coins are lawful under the Commission’s decision in *In re Gold Bullion* discussed above, which held that vendors could sell coins with date variations so long as the coins are marked with the word ‘Copy.’” 92 F.T.C. at 223. By contrast, the federal statute prohibiting the alteration of U.S. coins requires fraudulent intent. 18 U.S.C. 331. Accordingly, the Commission finds no grounds to adopt a rule banning fantasy coins.

IV. Proposed Amendments

As the CCPA’s amendments appear to require conforming changes, the Commission proposes modifying the Rules’ “Applicability” section, set forth at 16 CFR 304.3. The specific text of these proposed modifications is set forth at the end of this NPRM.

V. Request for Comment

The Commission solicits comment on the following specific questions:

(A) What costs or burdens would the proposed Rules amendments impose and on whom? How many retailers, manufacturers, and importers are subject to the Rules? The Commission in particular seeks information on any burden each amendment would impose on small businesses and entities. How many small entities are affected by the Rules, what are their annual revenues, and what is their size in terms of number of employees?

(B) What evidence supports your answers?

¹⁸ See also 92 F.T.C. at 217-18 (providing further guidance on scope of Act, defining Act’s reference to “coinage or issue which has been used in exchange” to mean coins that have been “actively traded in the marketplace and used as a means of payment”) (ellipsis omitted).

VI. Paperwork Reduction Act

The proposed amendments to the Rules do not constitute a “collection of information” under the Paperwork Reduction Act, 44 U.S.C. 3501-3521 (“PRA”). The amendments are proposed to incorporate changes made to the Hobby Act pursuant to the enactment of the CCPA after the Commission last requested public comment on the Rules. Prior to those changes, the Hobby Act already required manufacturers and importers of imitation political items and imitation numismatic items to mark such replica items (with the calendar year of manufacture or the word, “copy,” respectively) so they may be identified as replicas. The disclosure requirement under the existing Rules and the proposed amendments are not a PRA “collection of information” for which “burden” is evaluated and estimated as they specify the wording for proper disclosure (here, the word “copy”). *See* 5 CFR 1320.3(c)(2) (“The public disclosure of language of information originally supplied by the Federal government to the recipient for the purpose of disclosure to the public is not included within [the definition of a ‘collection of information.’]”). Moreover, extending this disclosure requirement to sellers of imitation numismatic items should not increase the burden of compliance to the extent they are selling items previously marked in compliance with the Hobby Act by manufacturers or importers. The amendments do not impose any new burden upon manufacturers and importers who produce replica items covered by the Hobby Act and Rules. Nor do the proposed amendments to the Rules impose any burden beyond that imposed by the enactment of the CCPA’s changes to the Hobby Act.

VII. Regulatory Flexibility Act

The Regulatory Flexibility Act, 5 U.S.C. 601-612, requires an agency to provide an Initial Regulatory Flexibility Analysis with a proposed rule unless the agency certifies that the

rule will not have a significant economic impact on a substantial number of small entities. *See* 5 U.S.C. 603-605.

FTC staff estimates that approximately 5,000 retailers, manufacturers, and importers of imitation numismatic items are subject to the Rules.¹⁹ FTC staff further estimates that there are fewer manufacturers and importers of imitation political items, from 500 to 2,500.²⁰ These are general estimates, and recognizing them as such, the Commission invites public input regarding how many retailers, manufacturers, and importers are subject to the Rules. Commission staff understands from a prominent political memorabilia membership organization, the American Political Items Collectors, that a disclosure that an item is an imitation is built into the manufacturing process. Entities compliant with the Rules mark replica coins with “COPY,” and replica political items with the date of manufacture, when those items are made. The entities subject to these burdens will be classified as small businesses if they satisfy the Small Business Administration’s relevant size standards, as determined by the Small Business Size Standards component of the North American Industry Classification System (“NAICS”).²¹ Potentially relevant NAICS size standards, which are either minimum annual receipts or number of employees, are as follows:

NAICS Industry Title	Small Business Size Standard
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¹⁹ This estimate rests on an industry publication’s assessment of the general rare coin industry; comparable statistics are not as readily available regarding the size of the imitation numismatic item industry, which offers and sells replicas of rare and other coins. *See generally* Numismatic Guaranty Corp., “Coin Collecting: How Large is the Rare Coin Market?,” Coin Week (Dec. 19, 2013), <http://www.coinweek.com/education/coin-collecting-large-rare-coin-market>.

²⁰ This estimate reflects FTC staff’s assessment that the political memorabilia industry is comparatively smaller than that for coins, with fewer public membership or trade organizations.

²¹ The standards are available at http://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf.

Sign Manufacturing	500 employees
Fastener, Button, Needle and Pin Manufacturing	500 employees
Miscellaneous Manufacturing	500 employees
Miscellaneous Fabricated Metal Product Manufacturing	750 employees
Rubber Product Manufacturing	500 employees
Miscellaneous Wood Product Manufacturing	500 employees
Leather Good and Allied Product Manufacturing	500 employees
Commercial Printing	500 employees
Miscellaneous Durable Goods Merchant Wholesalers	100 employees
Book, Periodical, and Newspaper Merchant Wholesalers	100 employees
Toy and Hobby Goods and Supplies Merchant Wholesalers	100 employees
Hobby, Toy and Game Stores	\$27.5 million
Souvenir Stores	\$7.5 million
Political Organizations	\$7.5 million
Electronic Shopping	\$32.5 million
Electronic Auctions	\$38.5 million
Mail-Order Houses	\$38.5 million

The Commission is unable to conclude how many of the above-listed entities qualify as small businesses. The record in this proceeding does not contain information regarding the size of the entities subject to the Rules. Moreover, the relevant NAICS categories include many entities that do not engage in activities covered by the Rules. Therefore, estimates of the percentage of small businesses in those categories would not necessarily reflect the percentage of

small businesses subject to the Rules in those categories. Accordingly, the Commission invites comments regarding the number of entities in each NAICS category that are subject to the Rules, and revenue and employee data for those entities.

Even absent this data, however, the Commission does not expect that the proposed amendments will have a significant economic impact on small entities. As discussed above in Section VI, the amendments do not impose any new costs upon persons or entities engaged in commerce concerning items that comply with the marking requirements of the Hobby Act and Rules. This document serves as notice to the Small Business Administration of the agency's certification of no effect. Nonetheless, to ensure that the economic impact of the proposed amendments on small entities is fully addressed, Commission staff have prepared the following initial regulatory flexibility analysis.

(1) A description of the reasons why action by the agency is being considered.

As explained above, the proposed amendment is intended to harmonize the Rules with the Hobby Act, as amended by the CCPA.

(2) A succinct statement of the objectives of, and legal basis for, the proposed rule.

See above. The proposed amendment, to 16 CFR 304.3, would extend the Rules' coverage to persons engaged in the sale in commerce of imitation numismatic items, and persons or entities that provide substantial assistance or support to any manufacturer, importer, or seller of covered items under certain circumstances. The legal basis for this amendment is the CCPA, which expanded the scope of the Hobby Act.

(3) A description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply.

As noted earlier, staff estimates that approximately 5,000 retailers, manufacturers, and importers of imitation numismatic items are subject to the Rules, and from 500 to 2,500 manufacturers and importers of imitation political items are subject to the Rules. Commission staff seek further comments and data on this general estimate.

(4) A description of the projected reporting, recordkeeping and other compliance requirements of the proposed rule, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record.

The Rules impose a disclosure (marking) burden, currently estimated at 5 hours annually. The proposed amendment is not expected to increase this burden on any person or entity subject to and in compliance with the Rules. The additional burden imposed by the proposed amendment, if it is adopted, will result solely from the expanded scope of the Rules to cover certain additional persons and entities, consistent with Hobby Act, as amended. As noted earlier, the disclosure burden imposed by the Rules is normally addressed in the manufacturing process, which requires graphic or other design skills for the die, cast, mold or other process used to manufacture the item. Commission staff invite further comment, if any, on these issues.

(5) An identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap or conflict with the proposed rule.

Although the Hobby Act expressly does not preempt other Federal or state law, *see* 15 U.S.C. 2105, Commission staff is not aware of any other relevant Federal rules that duplicate, overlap, or conflict with the Rules or the proposed amendments to the Rules. *See* 16 CFR 340.4 (noting that the Rules do not substitute for or limit other statutes and laws that, *inter alia*,

prohibit the reproduction of genuine currency, i.e., counterfeiting). Commission staff invite further comment or information, if any, on this issue.

(6) Any significant alternatives to the proposed rule, to the extent they would accomplish the stated objectives of applicable statutes and minimize any significant economic impact of the proposed rule on small entities, such as different compliance or reporting requirements or timetables for small entities, clarification, consolidation, or simplification of such requirements, or the use of performance rather than design standards, or a small entity exemption.

Commission staff have not identified any significant alternatives that would accomplish the statute's objectives while minimizing any significant economic impact on small entities. The proposed amendment, as explained earlier, is intended to bring the scope of the Rules in line with the scope of the Hobby Act, as amended by the CCPA. Neither the Act nor the Rules exempt small entities, or impose lesser or different requirements on such entities. Such exemptions or alternative requirements would undermine the purpose and effect of the Act and the Rules, to the extent that Congress has determined by law that covered items, regardless of the size of the entity that manufactures, imports or sells them, require markings (i.e., disclosures) under certain circumstances for the protection of consumers who may purchase such items. Commission staff seek public comment on whether the proposed amendment is sufficiently clear, simple, and concise to communicate the expanded scope of and potential liability under the Rules for covered persons and entities, including the consistency of the proposed amendment with the Hobby Act, as amended by the CCPA.

VIII. Communications by Outside Parties to the Commissioners or Their Advisors

Written communications and summaries or transcripts of oral communications respecting the merits of this proceeding from any outside party to any Commissioner or Commissioner's advisor will be placed on the public record. *See* 16 CFR 1.26(b)(5).

IX. Instructions for Submitting Comments

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before July 1, 2016. Write "Hobby Protection Rules Review" on the comment. Your comment, including your name and your state, will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission Website, at <http://www.ftc.gov/os/publiccomments.shtm>. As a matter of discretion, the Commission tries to remove individuals' home contact information from comments before placing them on the Commission Website. Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, such as anyone's Social Security number, date of birth, driver's license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information.

In addition, do not include any "[t]rade secret or any commercial or financial information which is . . . privileged or confidential," as discussed in Section 6(f) of the FTC Act, 15 U.S.C.46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, do not include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you must follow the procedure explained in FTC Rule 4.9(c), 16 CFR 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comments to be withheld from the public record. Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and the public interest.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comment online. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublic.commentworks.com/ftc/hobbyprotectionrules>, by following the instructions on the web-based form. If this Notice appears at <http://www.regulations.gov/#!/home>, you also may file a comment through that website.

If you file your comment on paper, write “Hobby Protection Rules Review” on your comment and on the envelope, and mail it to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex B), Washington, DC 20580. If possible, submit your paper comment to the Commission by courier, or overnight service. If you prefer to deliver your comment, deliver it to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex B), Washington, DC 20024.

Visit the Commission Website at <http://www.ftc.gov> to read this Notice and the news release describing it. The FTC Act and other laws that the Commission administers permit the

collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all responsive public comments that it receives on or before July 1, 2016. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see <http://www.ftc.gov/ftc/privacy.htm>.

X. Proposed Rule Language

List of Subjects in 16 CFR 304

Hobbies, Labeling, Trade practices.

For the reasons set forth in the preamble, the Federal Trade Commission proposes to amend 16 CFR part 304 as follows:

PART 304—RULES AND REGULATIONS UNDER THE HOBBY PROTECTION ACT

1. The authority citation for this part continues to read as follows:

AUTHORITY: 15 U.S.C. 2101 *et seq.*

2. Amend § 304.3 to read as follows:

§ 304.3 Applicability.

Any person engaged in the manufacturing, or importation into the United States for introduction into or distribution in commerce, of imitation political or imitation numismatic items shall be subject to the requirements of the Act and the regulations promulgated thereunder. Any person engaged in the sale in commerce of imitation numismatic items shall be subject to the requirements of the Act and the regulations promulgated thereunder. It shall be a violation of the Act and the regulations promulgated thereunder for a person to provide substantial assistance or support to any manufacturer, importer, or seller of imitation numismatic items, or to any manufacturer or importer of imitation political items, if that person knows or should have known

that the manufacturer, importer, or seller is engaged in any practice that violates the Act and the regulations promulgated thereunder.

By direction of the Commission.

Donald S. Clark
Secretary.

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